



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

KEITH W. COOLEY
DIRECTOR

OFFICIAL

E-mailed 08/02/07 (bs)

Bureau of Workforce Programs (BWP)
MiRSA Guidance Letter (GL) No. 07-02

Date: August 02, 2007

To: Michigan Regional Skills Alliances (MiRSASM)

From: Janet E. Howard, Interim Director, Bureau of Workforce Programs (SIGNED)

Subject: Salary and Bonus Limitations

1. Purpose

To inform MiRSA grant recipients of a limitation on salary and bonus payments that can be made with Employment and Training Administration (ETA) funds appropriated through the Department of Labor & Economic Growth (DLEG)/BWP MiRSA Initiative.

2. Background

Public Law 109-234 section 7013 limits salary and bonus compensation for individuals who are paid by funds appropriated to the ETA, and provided to recipients and sub-recipients. In short, none of the funds appropriated under the heading 'ETA' shall be used by a recipient or sub recipient of such funds to pay the salary and bonus of an individual; either as direct costs, or indirect costs, at a rate in excess of Executive Level II (\$165,200 for Fiscal Year (FY) 2006).

The new salary and bonus limitation applies to all programs and activities undertaken through grants, and contracts funded by an appropriation to ETA. Therefore, this limitation applies to grants awarded through the MiRSA program. A MiRSA grant recipient may receive funds that are a combination of MiRSA funds, and funds received through other entities. In this situation, the limitations of Section 7013 as described in BWP Policy Issuance (PI) 06-32, apply to the portion of the funding that is appropriated to the MiRSA grant.

3. Effective Date and Funding Cycles Impacted

The limitations on salaries and bonuses applies to funds appropriated in FY 2006 under Public Law 109-149, and prior year appropriation funds under the heading 'Employment and Training' that remain available for expenditure. It does not apply to funds expended before June 15, 2006.

4. Action Required

This GL is meant to inform grantees that BWP Policy Issuance 06-32 (Implementation of Salary and Bonus Limitations) applies MiRSA grant funds. Refer to BWP PI 06-32 (Attachment 1) for more information. All affected MiRSA Grantees must implement these requirements retroactively to the date of enactment, June 15, 2006.

5. Inquiries

Questions regarding this notice should be directed to Ms. Janice Cooper, Acting MiRSA Section Manager, BWP at (517) 335-5177.

JEH:JC:bs
Attachment